

Voluntary - Public

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Losses to Israeli Fruit Growers

Report Categories:

Agricultural Situation

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Report Highlights:

The Israeli Defense Forces (IDF) has imposed a temporary ban on the import of fruits and other 'non basic' food products from Israel into the Gaza Strip in an effort to weaken the Hamas regime. Israeli apricot growers recently suffered losses of approximately NIS 1 million (\$254,000). Losses to growers are expected to increase in the course of 2009 if grapes, peaches, plums and other summer fruits are affected.

General Information:

Since Hamas came to power in the Gaza Strip, the Israeli Defense Forces (IDF) via its Coordinator of Government Operations in the Territories, is implementing a policy upon which only 'basic products' are allowed to enter Gaza. This policy is implemented in order to weaken the Hamas regime. In accordance with this policy, from time to time the IDF bans the entrance of fruits, vegetables and a long list of food products. These bans are imposed with no regular guidelines and

are implemented suddenly with no prior notification. During the last two weeks almost 400 tons of apricots were stopped at the border and sent back into Israel. Most of the shipment, valued at almost 1 million New Israeli Shekel (NIS) approximately \$254,000, was destroyed.

The rejection of the apricot shipments into Gaza caused surpluses in the Israeli market which immediately reduced the grower prices. The regular price at this time of the year varies between NIS 5-7/kg; however the current price is only NIS 3.5/kg. According to the Growers Association this price does not even cover the production cost of the apricots.

As a result of intensive negotiations between the IDF, the Ministry of Agriculture and the Growers Association, the ban on the apricots was eventually waived. Currently similar problems have reportedly begun with shipments of grapes. The Growers Association assumes that if the current policy by the IDF continues the losses to fruit growers during the summer of 2009 may total approximately NIS 7.0 - 7.5 million (\$1.8 - 1.9 million). The planted area of fruit orchards in Israel is based on the assumption that 25 percent of the produce will supply the Palestinian Authority, 15 percent for the West Bank and 10 percent for the Gaza strip.